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Gr Brit. Colonial Office

MEMORANDA

ON THE

NORTH AMERICAN AND EASTERN COLONIES.

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Colonial Office,
February 1857.

CANADA.

THE present condition of Canada is a very remarkable one in the history of British Colonial Dependencies. After a long period of what may now be termed misgovernment, and a rebellion, from the effects of which a country does not readily recover, an era of contentment, prosperity, and loyalty has ensued to which it is difficult to find a parallel. Much of this is attributable to the form of government, usually denominated Responsible Government, which prevails in this as well as in the other North American Provinces, and to the vigorous energies of a population derived from the mixed races of Great Britain, Ireland, and France. But this flourishing state will best be confirmed by ascertained facts, which I will briefly submit.

Responsible Government was established in Canada on the re-union of the two Provinces, though it can scarcely be said to have been thoroughly adopted before the administration of Sir C. Bagot, who succeeded Lord Sydenham. In his time, and in that of his successors, especially in Lord Elgin's, the system fully obtained, and it has worked most satisfactorily. Closely observing the model of the British Constitution, ministers retire when adverse majorities affirm their inability to carry on the Government to the satisfaction of the country, and they are succeeded by men in whom greater confidence is reposed. All legislative enactments, as in the mother country, require the formal assent of the Crown before they can become the law of the land; and as a prudent avoidance is observed by the Imperial authorities in all interference with legislation purely domestic, so does the local Parliament submit with a good grace to that control over its laws which is only exercised by the Crown in matters of prerogative, or when principles are vio-

lated according to which the affairs of the whole empire are conducted. Indeed, it may be asserted that the laws passed by the Canadian Parliament since the establishment of responsible government have, with scarcely an exception, been sanctioned by the Crown.

At the earnest wish of the Province, a change of considerable magnitude was made last year in the constitution of the upper branch of the Legislature, by rendering it elective. The introduction into Canada of this principle, already established in some other parts of the British Colonial Possessions, was accomplished by an Act of the Imperial Parliament, under the authority of which the first elections took place last November. The late settlement of the long-vexed question of the Seigniorial tenure, by Colonial enactment, has been attended with the happiest effects, and the Seignieurs are now equitably and completely compensated for those privileges to which the law had for so many years given them a right.

In order to show the prosperity of the Province, which is only yet in its infancy, as the great lines of railroad are not finally completed, and the effect of reciprocal free trade with the United States is too recent to admit of demonstration, I subjoin the following table, showing its population, its revenue and expenditure, and its imports and exports, drawn from the latest Returns (1855) in the Colonial Office. Table A.

I subjoin further the value of imports and exports in each year, from 1847 to 1854, both inclusive, the revenue and expenditure in each of the same years, and the revenue from canal tolls. Table B. Table C. I also annex a statement of the quantity and value of public land sold in Canada in each year from 1847 to 1853, both inclusive. With respect to railways it is by no means an unimportant feature, as demonstrating the energy of the Province, to know what has been accomplished, and as the funds for their construction have been largely drawn from this country, proving thereby the confidence which is entertained by capitalists here in Canadian securities, the statement in Table F will be found interesting. Table D. Table E. Table F.

Simultaneously with the industrial progress above described, another change of a scarcely less im-

portant character, indicative of the tranquillity reigning in the province, should be mentioned: I refer to the military force. On the 1st January, 1847, the force stationed in Canada, and maintained wholly at the charge of the British Treasury, consisted of 7,149 soldiers, besides three troops of provincial Cavalry, and one provincial coloured company, both of which were reduced in 1850. On the 1st October, 1854, the force was reduced to 1,882 soldiers, at which amount it would probably have been continued but for considerations of foreign policy, which induced Her Majesty's Government to send a Lieutenant-General, and place five regiments under his command in the three principal garrison towns. Sir E. Head has taken great pains to get a legislative enactment passed on the subject of the Militia, and a satisfactory commencement has been made towards the establishment of an effective force. The statement in Table G exhibits its present strength. With the view of encouraging this force, and of meeting the strongly expressed wishes of the Province, Her Majesty's Government have surrendered the mass of the Ordnance Lands to the Legislature, and placed the proceeds at its disposal to meet the Militia expenses.

With the exception of California and Australia, there is perhaps no part of the world known to modern history where a greater increase has taken place than in the population of Canada. In the Lower Province, the increase has not been so rapid, owing to the tide of emigration flowing westward, but nevertheless, the increase there in the last twenty-five years has been 90 per cent.: the population in 1829 having been 500,000, and in 1854 1,048,000. In Upper Canada the population, which in 1811 was 77,000, reached 952,000 in 1851: exhibiting an increase in forty years of 1,100 per cent. The population of the United Province is now 2,250,000. During the season of 1856, 22,439 emigrants landed at Quebec. Of these, 4,537 were Germans, and 2,806 Norwegians. The rest were from Great Britain and Ireland. The settlement of the country is advancing rapidly.

Table H exhibits the progress of the Post-Office since 1851 inclusive. It is an interesting proof of the increase of business and education in the country.

This country continues to pay a charge for Indians, which was incurred many years ago for war services. It is being gradually reduced, and now amounts to only 3,541*l.* It will soon be altogether extinguished.

We contribute, also, to the support of certain bishops and clergy in this province, in pursuance of an old pledge; but this charge, too, is in process of extinction as lives fall in. For the year ending March 1856, the vote was 7,397*l.*

The total debt of Canada, including the public guarantee lent to railways, and municipal debts, is estimated by a Committee of the House of Assembly at 9,650,506*l.*; and this debt, it should be observed, has been chiefly incurred for public improvements.

TABLE A.

Extracted from the Blue Book for 1855.

Population.	Revenue.	Expenditure.	Imports.	Exports.
	£	£	£	£
2,250,000	1,153,008	1,216,771	9,021,541	No return.

TABLE B.

Value of Imports and Exports.

Year.	Imports.			Exports.		
	£	*s.*	*d.*	£	*s.*	*d.*
1847	2,966,870	15	0	2,203,054	3	8
1848	2,629,584	17	11	2,302,830	17	6
1849	2,468,130	6	9	2,193,078	0	3
1850	3,489,466	3	5	2,457,886	1	2
1851	4,404,409	0	2	2,663,983	14	4
1852	4,168,457	8	5	2,888,213	19	3
1853	6,571,527	19	9	4,523,060	19	1
1854	9,119,098	4	1	5,179,317	15	8

Table C.

Revenue and Expenditure.

Year.	Revenue.			Expenditure.		
	£	*s.*	*d.*	£	*s.*	*d.*
1847	416,569	18	4	376,456	6	4
1848	312,037	6	0	389,992	14	11
1849	421,998	4	0	370,613	15	2
1850	578,822	11	3	437,312	11	3
1851	692,206	4	9	521,643	11	3
1852	723,724	7	4	535,171	6	7
1853	982,334	10	2	611,667	16	5
1854	1,590,635	7	6	1,737,186	4	1

Table D.

Canal Tolls.

Year.	Gross.			Net.		
	£	*s.*	*d.*	£	*s.*	*d.*
1847	41,204	4	5	23,330	12	0
1848	38,214	1	3	14,828	18	4
1849	46,193	5	0	33,217	14	0
1850	53,335	6	2	38,607	4	7
1851	65,122	6	8	43,975	14	0
1852	71,684	15	4	45,777	9	8
1853	82,830	6	1	50,611	19	10

Table E.

Statement of Acres of Crown Lands sold in Canada East and West.

Year.	Acres.	Total Value.
		£ s. d.
1847	62,881	
1848	34,838	
1849	25,444	
1850	164,307	203,172 1 2½
1851	197,855	
1852	68,210	
1853	256,059	
Total ..	809,594	

Statement of Clergy Lands in Upper Canada, sold under 3 & 4 Vict., c. 78.

Year.	Acres.	Total Value.
		£ s. d.
1847	196,568	
1848	81,373	
1849	70,726	
1850	93,245	373,322 17 1
1851	91,706	
1852	94,942	
1853	150,809	
Total ..	779,369	

Statement of Clergy Lands in Lower Canada, sold under 3 & 4 Vict., c. 78.

Year.	Acres.	Total Value.
		£ s. d.
1847	22,421	
1848	5,441	
1849	4,165	
1850	8,064	18,630 13 9
1851	11,175	
1852	10,363	
1853	14,983	
Total ..	76,612	

Table F.

Name.	Total Length.	Length completed.	
	Miles.	Miles.	
Great Western	240	267	Capital invested in these undertakings, £20,000,000.
Buffalo, Brantford, and Goderich ..	160	114	
London and Port Stanley	36	28	
Erie and Ontario	17	17	
Ontario, Simcoe, and Huron	92	95	
Grand Trunk*	950	872	
Port Hope and Lindsay	48		
Cobourg and Peterboro'	28	28	
Brockville and Ottawa	120		
Prescot and Bytown	55	55	
Montreal and Bytown	110	14	
Montreal and New York	38	38	
St. Lawrence and Champlain	49	49	
Totals	1,943	1,577	

* Exclusive of 164 miles between Portland and the Canadian boundary, leased for 999 years.

TABLE G.

Active Militia.

	Officers.	Men.
CLASS A.		
Lower Canada..	71	1,544
Upper Canada..	132	2,812
	203	4,356
CLASS B.		
Lower and Upper Canada ..	69	1,432
	272	5,788

Sedentary Militia.

	Officers.	Men.
Lower Canada..	5,625	99,603
Upper Canada..	5,858	116,991

UPPER CANADA.

First-class Service-men	40,778	
Second-class ditto	43,026	
Total Service-men..		83,804
Reserve-men		30,292
Total		114,096

NOTE.—To this number might be added for battalions from which no returns have been received, say about 40,000 Service-men and 20,000 Reserve-men, making a total of Militiamen, of this section of the province, of 174,096, which is, perhaps, a little under the actual number.

TABLE H.

TABULAR STATEMENT of the progress of the Post Office in Canada, since 1851 inclusive.

	Number of Post Offices in operation.	Miles of established Post route.	Number of Miles of annual Mail travel.	Number of Letters passing by Post per annum.	Money Order Offices. Number.	Amount of Money Order transactions.	Number of Registered Letters passing by Post.
April 1851	601	7,595	2,487,000	2,132,000	.. ..	Issue of Money Orders	
„ 1852	840	8,618	2,931,373	3,729,752			
„ 1853	1,016	9,122	3,430,474	4,258,592			
„ 1854	1,166	10,027	4,015,816	5,114,200			
„ 1855	1,293	11,192	4,559,761	6,066,692			
„ 1856	1,424	12,000	5,000,000	7,500,000	157 (A)	6,000*l.* per week	450,000 (B)

(A). Money Order system first organised in Canada in February 1855.

(B). Present Registered Letter system commenced in May 1855.

Table I.

The following statement will show what progress has been made in carrying out the pecuniary provisions of the Act 18 Vict., cap. 2.

18 Vict., cap. 2:—	£	s.	d.
Amount paid Church of England ..	279,988	19	10
„ Church of Scotland ..	129,688	16	0
„ Wesleyan	9,915	1	6
„ Roman Catholic ..	17,396	7	6
Amount retained to pay Roman Catholic Clergy, when called for	3,536	7	6
	£440,525	12	4

18 Vict., cap. 2:—	£	s.	d.
Amount of uncommuted Stipends, and Widow Annuity Fund	46,883	18	3

(This amount is invested and held by the Government.)

18 Vict., cap. 2, and 19 Vict., cap. 16:—

	£	s.	d.
Amount (now) distributing amongst the various Municipalities of Upper Canada, being balance on hand on 31st December last, to the credit of Upper Canada	304,423	7	6
Amount of balance on hand to credit of Lower Canada, for distribution on 31st December last	24,723	2	9

(This latter amount, 24,723*l.* 2*s.* 9*d.*, is not being distributed, as the House of Assembly adopted a resolution, Journals of 1856, 7th May, p. 465, to repeal so much of 18 Vict., cap. 2, as provides for the apportionment of the Fund, and to apply 75,000*l.* to the building of Gaols and Court-houses in Lower Canada, and it is understood that next session a measure to that effect will be introduced by the Government.)

	£	s.	d.
Amount now on hand for Upper Canada, to be apportioned after 31st December next (with the additional sums that may be received prior to that day) say ..	90,000	0	0
Amount, ditto, for Lower Canada, say ..	2,000	0	0

	£	s.	d.
Estimate of approximate value of Clergy Lands still remaining unsold, and moneys due on lands sold to Upper Canada Municipalities Fund, and for future yearly distribution, under 19 Vict., cap 34..	826,128	0	0
Ditto, ditto, Lower Canada	149,365	0	0
	£975,493	0	0

I value unsold lands at 10*s*. an acre in Upper Canada, and at 5*s*. an acre in Lower Canada.

The commutation is fully settled and completed; the only matter open i s the value of certain debentures, which does not interfere with the amounts above mentioned.

(Signed) JOS. MORRISON,
Receiver-General.

NEW BRUNSWICK.

WITH respect to New Brunswick a favourable account can also be given, though there has not been displayed the same vigour in political and industrial pursuits in this as in the adjoining Province of Canada. Responsible government prevails here too. It was introduced in 1849, and has been attended with the usual success. The income of the Province was prosperous in 1853, as will be observed from Table A, and it is the more striking because the revenue of 1852 was itself in excess of that of 1851 by more than 20,000*l.* currency; so that the difference between 1851 and 1853 amounts to 67,364*l.* currency, or nearly 60 per cent. on the revenue of the first of these two years, and during these three years the tariff has not varied. The revenue of 1853 exceeded the expenditure; but, on the other hand, the expenditure of 1854 and 1855, has in each year exceeded the revenue. This unfavourable difference was occasioned by the commercial distress, and want of shipping—felt everywhere during the war. The system of financial administration in New Brunswick has long been regarded by the home authorities and by the Governor as defective, because the House of Assembly would not vest in the Governor the initiation of money votes; jobs therefore were perpetrated, and money probably misappropriated, which the Local Government could not prevent. But a resolution having been affirmed last year in the House of Assembly, conceding to the Executive Government the right of initiating money grants, and adopting in this respect the practice of the Imperial Parliament, there is reason to hope that a just and economical appropriation of the public money will be secured henceforward.

Lieut.-Governor's despatch, January 4, 1854.

See Blue Book of 1853.

A long debated question as to the territorial line

between Canada and New Brunswick, has been adjusted in the past year, and it only remains that an Act of the Imperial Parliament be passed to ratify the conclusion arrived at.

There are now two railroads in progress in New Brunswick, each of which will tend greatly to open up the country, and render its numerous resources and natural capabilities available to settlers. Measures of an active character are being taken by the province, to secure, under new regulations for the acquisition of the Crown lands, a large and healthy emigration.

The militia, according to the Returns of 1855, consists of a nominal force of 29,350 rank and file. One British regiment is stationed in the province.

The population, at the Census of 1851, consisted of 193,800 persons.

TABLE A.

Extracted from Blue Books of 1853 and 1854.

Population.	Revenue.	Expenditure.	Imports.	Exports.
	£	£	£	£
1853 :— 193,800	152,107	104,705	1,716,108	1,072,491
1854 :— Ditto	163,151	207,723	2,068,773	1,104,215

IMPORTS and EXPORTS of New Brunswick, 1854 and 1855.

IMPORTS.

	1854.	1855.
	£	£
Great Britain	972,557	377,845
British Colonies :		
West Indies	1,206	4,666
North America	333,770	212,713
Elsewhere	3,001	3,322
United States of America ..	711,234	782,762
Foreign States	47,005	50,022
£	2,068,773	1,431,330

EXPORTS.

	1854.	1855.
	£	£
Great Britain	811,108	547,589
British Colonies:		
West Indies	6,678	7,209
North America	147,006	111,880
Elsewhere	2,460	6,857
United States of America ..	97,930	123,127
Foreign States	39,033	29,719
£	1,104,215	826,381

The diminution of Imports in 1855 was principally caused by the war. The increase of Exports to the United States was caused by the operation of the Reciprocity Treaty.

NOVA SCOTIA.

EVERYTHING is working smoothly in this province under responsible government. There is no great public question agitating it; the revenue slightly exceeds the expenditure, and the commerce of the country makes steady progress, still greater activity being expected from the stimulus to trade that will be created by the Reciprocity Treaty. A railroad is in course of construction from Halifax to the frontier of the province, the money for which is raised on the guarantee of the local revenues.

Table A. I append a statement, exhibiting the population, revenue, and expenditure, and imports and exports.

The military force consists of 1,730 men, at the date of the last returns; and the militia numbers, on paper, 44,248.

There is a small annual parliamentary grant of 3,537*l.*, for the clergy in this province, which diminishes as the incumbents die.

TABLE A.

Taken from the last Returns, viz.: 1854.

Population.	Revenue.			Expenditure.			Imports.	Exports.
	£	*s.*	*d.*	£	*s.*	*d.*	£	£
276,117	180,314	17	0	169,159	0	9	1,791,082	1,247,668

NEWFOUNDLAND.

THIS ancient British Possession has been the last in the group of North American Colonies to which responsible government has been conceded. It was granted simultaneously with the appointment of the present Governor, Mr. Darling, who arrived in the island on the 2nd of May, 1855. As far as the experiment has been tried, the respective parties seem perfectly to appreciate their position towards each other, and the Governor, well disposed to give the system a fair trial, is apparently on good terms with the inhabitants. The chief cause of disturbance in this island has hitherto had its foundation in the disagreement between the Roman Catholics and Protestants. The latter is the most numerous body of the two, but not the most energetic, and has habitually leant on the Imperial Government for that support which it had not spirit enough to dispense with when in difficulty. But these religious feuds seem disappearing. We certainly gradually hear less of them, and they may possibly diminish altogether, now that the liberal and Roman Catholic party has obtained possession of power. In justice to that party it should be observed, that no complaints of partiality have been preferred against them by the Protestants. Advantages are expected to flow from the construction of an electric telegraph across the island for upwards of 300 miles, and thence, by a submarine cable, to the continent of America. By the means of this enterprise the state of the markets in the United States, the West Indies, and South America, will be rapidly made known to Newfoundland, whose insular position and the consequent want of prompt information have been detrimental to its interests.

The Imperial Government having determined on erecting a lighthouse on Cape Race, it is hoped that

the work will be completed this year. The necessity for a light in this situation has been long felt.

A Treaty has been concluded between Great Britain and France on the long-disputed question of their respective rights of fishery off Newfoundland.

The revenue and expenditure, its population, &c., are subjoined. The debt of the Colony is 150,000*l.* Table A.

It is full early to deduce conclusions with respect to the effects on Newfoundland of the Reciprocity Treaty, but promising inferences may be drawn from the fact that the value of the total exports from St. John's to the United States, for the half-year ending the 30th June, 1856, is estimated at 37,954*l.* as against 12,253*l.* for the corresponding half-year of 1855, and for the year ending at that date, it is 91,209*l.* as against 27,810*l.* for the year ending 30th June, 1855. The Governor has very recently (20th January, 1857) reported that "the revenue from imports is larger than any on record, and the value of our staple export unusually high in the United States' market, notwithstanding that the supply has been plentiful."

TABLE A.

Extracted from Blue Book for 1855.

Population.	Revenue.			Expenditure.			Imports.	Exports.
	£	*s.*	*d.*	£	*s.*	*d.*	£	£
96,506	126,448	12	4	120,926	3	0	1,152,804	1,142,212

PRINCE EDWARD ISLAND.

THE system of responsible government has been severely tried in Prince Edward Island. The feuds that subsisted there for so many years between the proprietary and tenant classes have, together with the opposition of a minority possessed of long official experience, imparted much acerbity in the management of the public affairs of this little island. But as the land question seems settling down, and the operation of the recent "Land Purchase Bill" has thus far been successful, discontent is subsiding.

The condition of the mercantile community is prosperous, and commercial operations have been much facilitated by the recent establishment of the "Prince Edward Island Bank." There has been a slight falling off in the revenue of 1855, which was anticipated, and is attributable to the operation of the free trade principle introduced by the Reciprocity Treaty, as well as to the great depression in the shipping interest, which lessened the importations generally. The surplus revenue of previous years renders this decrease unimportant, and when the low rate of duty levied on articles of general consumption is considered, the financial resources of the island may be said to be in a sound and satisfactory state.

The Parliamantary grant for this island, which ussually amounted to 3,040*l.*, is now reduced to the payment of the Lieutenant-Governor's salary of 1,500*l.* per annum.

The troops have been withdrawn from this island, and though there is a militia it only exists in name. According to law the population between the ages of 16 and 60 are liable to serve.

TABLE.

Year.	Revenue.	Expenditure.
	£	£
1852	31,283	22,285
1853	35,345	29,433
1854	46,033	34,898
1855	28,054	30,193

VANCOUVER'S ISLAND.

A GOVERNOR was first appointed to this Settlement in 1849, with power to pass laws in conjunction with a Council nominated by the Crown, and a General Assembly. By these authorities the affairs of the island are conducted, the Assembly having been convoked last year for the first time. The expenses of the government are entirely defrayed by the Hudson's Bay Company, who, having had a grant of the island from the Crown for a certain number of years, derive their revenues from the sale of land, the establishment of emigrants, and from the trade they carry on with the Indians. But this grant expires with the Company's license to trade with the Indians, which will terminate in 1859, having been granted in the year 1838 for a term of twenty-one years. When resumed by the Crown, the sums expended in the settlement for their premises, &c., will have to be repaid to the Company. What the revenue and expenditure is, we have no means of ascertaining. The European population is small, and the number of natives about 26,000.

Both coal and gold have been discovered in this island; the former mineral in considerable quantities. Vessels resort to the island for coal.

FALKLAND ISLANDS.

THE first Governor was sent to this place in 1841. It seems to have been settled by the British Government principally for the sake of affording a haven and place of refreshment to shipping; and it is by no means useless in that respect. A company, which was formed some few years ago, has taken a lease of the wild cattle on the islands, for which they pay to the Government an annual revenue of 1,000*l.*, terminating in 1866. From this source, and from a few local taxes added to the Parliamentary vote of 3,331*l.*, the expenses of the Local Government are defrayed.

The population in 1855 was 500 persons, in which year the exports exceeded those of 1852 by 75 per cent., and the imports 20 per cent.

A light-house having lately been erected, which has long been represented as necessary, there is reason to hope that shipping will now frequent the Settlement in greater numbers.

The Government is conducted by the means of a Governor and Council—the means being insufficient to constitute an Assembly.

HONG KONG.

IN Hong Kong public affairs are administered by a Governor, an Executive, and a Legislative Council, which last is composed of official people and of merchants. When Hong Kong was acquired from the Chinese, Great Britain necessarily had to support it. At first it cost us 49,000*l.* a-year, exclusive of the military charge; but by the application of a just and rigorous economy, aided by the gradual advance in commercial prosperity, the Parliamantary grant for the maintenance of its civil establishment is no longer required.

The progress of the Colony is indeed undoubted, and the year 1855, which is the latest date up to which we have returns, more promising than any since the foundation of the Colony. Within the last eight years the population has more than trebled. A necessary and natural result of this increased population is the increase in trade, which is fostered by the wise and judicious absence of a Custom-house, in a place situated as Hong Kong is. As an instance, but perhaps a remarkable one, of the large trade now carried on there, a merchant in 1855, sold the whole of his ship's cargo, to the value of 30,000 dollars, in the course of a single morning. Hong Kong has become a great port for Chinese emigration; as many as 14,683 emigrants having left it in 1855. And this business is on the increase. The salubrity of the Colony, owing to the care taken in the drainage, sewerage, &c., is improving, nor has there, of late, been any special mortality beyond what increased population will account for.

Years.	Population exclusive of Troops.	Revenue.	Parliamentary Grant.	Expenditure.	Police Rates included under Revenue.	Square-rigged Vessels arrived.	
						No.	Tons.
		£	£	£	£		
1848	21,514	25,091	25,000	62,658	2,575	700	228,818
1849	29,507	23,617	25,000	38,286	3,116	902	293,465
1850	33,292	23,526	20,000	34,314	2,811	883	299,009
1851	32,983	23,721	15,500	34,115	2,958	1,082	377,084
1852	37,058	21,331	12,000	34,765	2,325	1,097	443,383
1853	39,917	24,700	9,200	36,418	2,704	1,102	447,053
1854	55,715	27,045	4,400	34,635	3,327	1,100	443,554
1855	72,607	47,973	3,800	40,813	3,917	1,736	604,580

On the 30th December, 1855, the population of Hong Kong consisted of the following people:—

Europeans and Americans ..	571
Portuguese	1,067
Indians and Malays	318
Chinese	70,651
	72,607

One British regiment is quartered at Hong Kong.

CEYLON.

THIS island is governed by a Governor and an Executive and Legislative Council. From the official returns of 1855 the condition of the Colony was satisfactory; the revenue for that year was upwards of 70,000*l.* in excess of the expenditure.

	£
Revenue of 1855	476,273
Expenditure	405,609
Excess of Revenue ..	70,664

General tranquillity prevails in the island. The Buddhist question, which of late years caused some trouble, has been settled, and works satisfactorily. By that settlement the priests are elected by their own body. A railroad from Colombo to Kandy, through the coffee district, has been projected by a Company, which has a guarantee of 6 per cent. from the colonial authorities, and measures have been taken for an exploration and survey of the line.

The troops in this island consist of 2,332 rank and file.

LABUAN.

THIS Colony was established in 1848. Its maintenance was at first necessarily defrayed by Great Britain at an annual cost of 9,827*l.* That charge has been gradually diminished, and ceased entirely for two years; but owing to the payments due from the Eastern Archipelago Company not having been realized in the past year, it has been necessary to apply again to Parliament for funds to carry on the expenses of Government. Accordingly a vote of 3,617*l.* must be obtained for the year 1857-8. This Settlement cannot be said to have made as much progress in commercial prosperity as was expected, nor has it fully answered the ends for which it was established. The object on account of which Great Britain was induced to found a colony in this quarter of the globe, was to make it a depôt for British trade, for supplying ships with coal, and for the extension of civilization. The Company, formed of capitalists in this country, called the "Eastern Archipelago Company," lease the coal-mines and work them; but from one cause or other their enterprise has not been attended with the success which was anticipated.

See Blue Book of 1855.

The population is 1,946.

The revenue for 1855, including balance of 1853, and the Parliamentary Grant, 6,729*l.*

The expenditure for ditto, 3,416*l.*

There are 173 soldiers borrowed from the East India Company's Settlement at Singapore.